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Security Clearance Delays Cost Defense Dept. \$1 Billion a Year

By James K. Gordon

Washington—Delay in security clearance processing costs the Defense Dept. almost \$1 billion a year because of lost productivity of defense and contractor employees waiting for clearance, according to testimony at a recent Senate subcommittee hearing.

The numbers of requests and processing delays are increasing in 1985 despite cost and problems in granting clearance, Bill W. Thurman, deputy director of General Accounting Office's national security and international affairs division, told the Senate Governmental Affairs Committee permanent subcommittee on investigations.

Access Not Required

Sen. Sam Nunn (D.-Ga.), ranking subcommittee Democrat, said 35,000-40,000 defense contractor employees cleared for top secret have never needed to have access to top secret materials, out of almost 115,000 persons cleared for top secret.

The U. S. government's personnel security system is overburdened and inconsistent, according to Nunn, while the foreign intelligence threat is extensive and sophisticated. "Over 4 million Americans hold government security clearances, including 53% of federal employees. More than 1.5 million industry personnel are cleared," Nunn said.

The 2.7 million Defense Dept. employees with security clearances accounted for 94% of all such federal employees, and the 1.5 million cleared defense contractors amount to 87% of contract employees with federal security clearance, according to GAO statistics. These figures exclude employees of the Central Intelligence Agency, National Security Agency and White House offices.

Evaluate Performance

The hearing was held to evaluate executive branch agencies' personnel security clearance programs. In earlier subcommittee hearings, Nunn said, "we found that individuals holding high government security clearances had sold some of this country's most guarded high-technology secrets to hostile intelligence services."

Defense Dept. has authorized or is performing security clearances to allow access to classified information by almost 11,000 government employees or contractors born in the Soviet Union or other Communist bloc nations where U. S. authorities are "unable to investigate their backgrounds and determine their suitability and trustworthiness," Nunn said.

Subcommittee investigative staff pre-

sented a detailed case study of the security clearance of former General Dynamics executive P. Takis Veliotis, who held Greek, Canadian and U. S. citizenship. Investigator Frederick J. Asselin said foreign nations' opposition and lack of accurate or accessible records may make it impossible to verify information provided by a candidate for a security clearance. Veliotis was given Defense and Energy Dept. clearances despite discrepancies in file information available to security officials.

Sen. Albert Gore, Jr. (D.-Tenn.), complained that the Reagan Administration was guilty of footdragging and bureaucratic wrangling. Gore and Nunn questioned Donald J. Devine, then director-designate of the Office of Personnel Management, about federal agency complaints of OPM delay in conducting security investigations and recent employee suitability evaluation procedures. Nunn queried OPM issuance of the new procedural guidelines affecting federal employees while the White House was still considering an interagency working group study on security clearances. "It looks like we've got a first-class mess on our hands," Nunn told Devine.

The White House has not yet made any decision on four policy issues raised in the May 1, 1984, interagency working group paper:

- Standardization of investigative procedures and requirements for the numerous government security programs.
- Standardization of the evaluation and decision process of clearing individuals for access, with regard for due process.
- Amendment or replacement of Executive Order 10450, the basic authority for the federal civilian personnel security program.
- Reconciliation of government employment suitability evaluation and security clearance processes.

Witnesses agreed that the Defense Investigative Service, charged with conducting all personnel security investigations for the Defense Dept., is overburdened by the volume of its personnel investigations and the defense industrial security program. Director Thomas J. O'Brien testified that DIS's case load will reach 219,000 in Fiscal 1985.

"The objective of consolidation and consistency of application which the 1965 establishment of the present defense industrial security program hoped to achieve

has only been partially successful. The establishment and expansion of other Defense Dept. industrial security programs has eroded the consistency and coherence," Lawrence J. Howe said. Howe is vice president-corporate security of Science Applications International Corp. and a former CIA security officer.

Defense Dept. procurement offices in charge of particularly sensitive classified programs for which special access restrictions are imposed may emphasize production requirements without proper consideration of industrial security implications, Howe said. He recommended the DIS be given review and inspection oversight authority over Defense Dept. procuring offices.

The unsupervised and inadequately regulated proliferation of special access programs has resulted in many instances of misapplied security measures, Howe said. The defense industrial security program should be broadened to include special access programs and establish uniform security requirements for them.

Howe believes that an inordinate amount of resources is being expended on physical security measures, to the detriment of personnel security. "A far greater amount of sensitive information makes its unauthorized departure from cleared facilities by walking out the door than has ever been stolen by force," Howe said.

More attention needs to be directed to human reliability factors, he believes. This should include early signs of stress and change which can reduce the predictive value of an individual's past behavior.

"The profile of a traitor may not be significantly different from that of many sociopaths and felons," Howe said. "Loyalty to country has become so abstract that an act of treason is not necessarily different from any other serious crime. What differentiates a traitor from a common thief may be little more than opportunity."

Legal basis should be established to make employment of an individual conditional on the individual's obtaining and maintaining a security clearance, Howe recommended. Loss of clearance based on a history of disregard for security procedures or other serious misconduct should be basis for prompt, justifiable termination of employment.